



December 12, 2021

Newberg Planning Commission  
Doug Rux, Community Development Director  
City of Newberg  
PO Box 970  
414 E. First Street  
Newberg, Oregon, 97132

SENT VIA EMAIL

**RE:** Comments on the December 2020 draft Housing and Residential Land Needs Analyses

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. 1000 Friends of Oregon is a non-profit, charitable organization dedicated to working with Oregonians to support livable communities. Our organizations' memberships include Newberg residents who support the mission and values of the Oregon land use program.

We strongly support the city's efforts to pursue solutions to its housing needs through the draft Housing Needs Analysis (HNA), which also includes a buildable lands inventory (BLI) and a residential land needs calculation. As the city is severely rent-burdened, action on housing costs, which is influenced in part by availability, is needed. We are interested in ensuring that Newberg is in a position to optimize the number of dwelling units on its residential lands and increase opportunities for housing on existing residential land in the city and have some comments in that context.

Please accept our testimony and include it in the record of the project.

## Density of Needed-Housing Development

The forecast for the density of development during the planning period (exhibit 53, p. 74) is the same as the historic density (exhibit 48, p. 66). The analysis of housing capacity, of which the density forecast is a part, is guided by ORS 197.296(5).<sup>1</sup> The analysis of “needed density” is guided by ORS 197.296(7), which states:

(7) Using the housing need analysis conducted under subsection (3)(b) of this section, the local government shall determine the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 20 years....

The HNA addresses each subsection of ORS 197.296(5) but does not explain why it determined that future historic residential densities will meet housing needs over the next 20 years in light of the fact that historical densities have not met existing needs, as documented elsewhere in the HNA.

The HNA states:

(I)n the future, the need for new housing developed in Newberg will generally include housing that is more affordable... (p. 66)

To the extent that denser housing types are more affordable than larger housing types, continued increases in housing costs will increase demand for denser housing. (p. 68)

These and other findings in the HNA suggest that development during the planning period will need to be more dense than the city has experienced to this point. While ORS 197.296(5) requires that the analysis include *consideration* of historic densities, ORS 197.296(7) requires that the city determine whether historic densities will meet future needs. The analysis does not appear to take this next step.

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<sup>1</sup> It appears the HNA addresses the wrong version of the statute. The 2019 edition of ORS 197 currently online shows the statute as:

(5)(a) Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Market factors that may substantially impact future urban residential development;
- and
- (D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

Statutes are codified in a confusing manner, so it is possible we are reading the statute wrong, but we thought the discrepancy should be pointed out.

While Newberg is not currently subject to ORS 197.758 (House Bill 2001, 2019) – which requires cities over 25,000 population to permit “middle housing” in all residential zones – the city recognizes that the city will be subject to the law very soon (November 23, 2020 Housing Strategy memorandum, p. 12). With this knowledge, it is reasonable that the HNA would account for increased density in the low-density zones during the planning period.

### **Housing Mix**

The HNA includes a forecast of housing mix (pp. 69-71), showing that about 32 percent of units will be multi-family in 2041, up from 23 percent in 2014-2018. We commend Newberg for pursuing the analysis with the assumption that the proportion of housing developed during the planning period will increasingly be the more-affordable multi-family units.

We suggest that this increase is not as great as it appears because Newberg currently has a deficit of multi-family units.<sup>2</sup> We believe the city can do better in its planning for accommodation of housing that is affordable to its citizens. By further increasing the share of housing that is multi-family, and carrying through with policies that implement this assumption (see “Housing Strategies,” below), the city will more adequately address future housing-affordability problems. If the improved housing-density analysis we suggest above shows that future multi-family density will be higher, then the land need may not increase much or at all.

### **Public and Exempt Land**

The BLI seems to exclude all publicly owned land from the buildable lands total. On pages 9 and 10, the BLI states:

Exhibit 3 shows development status with constraints applied and resulting in buildable acres. Of the 2,474 total acres in the land base, 1,604 are committed acres (which includes developed, unbuildable, right-of-way, and public or exempt), 228 are constrained acres, and 631 are buildable acres.

We are not certain whether this means public *ownership* or public *use*. It appears to refer to public ownership, and if that is correct we point out that the administrative rule guiding Goal 10 compliance (OAR chapter 660, division 8) provides, at OAR 660-008-0005(2), that “publicly owned land is generally not considered available for residential uses.”

This is not an absolute exemption for publicly owned land. The BLI should include an analysis of publicly owned parcels that are vacant or partially vacant to determine whether they are “buildable.” For example, the school district could own a surplus parcel it was holding for district-related development and subsequently found it didn't need. If

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<sup>2</sup> See: “Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations,” Oregon Housing and Community Services, August 2020. <https://www.oregon.gov/ohcs/about-us/Documents/RHNA/2020-RHNA-Technical-Report-Final.pdf>

public land is likely to become available for residential use during the planning period, it should be included as buildable in the BLI. This may seem like it would have no significant effect on the BLI, but that cannot be known without the analysis.

In addition, the passage quoted above also seems to exclude land that is tax-exempt from the “buildable” category while the BLI also finds a need for 28 acres of land for churches (draft “Newberg Public and Semi-Public Land Need 2021–2041” memo, exhibit 3, p. 4). We also note that the residentially zoned land with a Public/Quasi-public plan designation is listed as part of the “Residential Land Base” (Appendix A, p. 89). Appendix A – the description of the BLI – also states that “each tax lot is classified into one of the following categories: Vacant land, Partially vacant land, Developed land, Public land, Unbuildable land” (p. 88). If tax-exempt land was, in fact, subject to this classification and vacant/partially vacant exempt land included as “buildable,” then we agree. If tax-exempt land was excluded from the analysis, then the BLI is deficient as some of the need may be met on existing vacant or partially vacant tax-exempt land.<sup>3</sup>

Finally, the city has excluded 55 acres of buildable land in the Springbrook Specific Plan that are planned for park uses, because they are privately owned. This residentially zoned land is available to meet urban land needs. We do not agree that it can be assumed not to satisfy any urban land need simply because of current ownership.

## **Housing Strategies**

We have reviewed the proposed housing strategies recommended by the city-appointed housing committees, and fully support Newberg moving forward with their implementation. While there are other effective strategies the city could pursue, those recommended by the committees are ambitious and should have an effect on the affordability of housing in Newberg.

The land-use related strategies – Strategies 1 and 2 – are effective for addressing the affordability of new housing units. This is needed and encouraged, but it only affects broader housing affordability over a long time-frame because the positive effect of increased housing supply on rents and prices is slow. This is where the action items in Strategy 3 can have a more immediate impact. These financial actions can lead to better affordability more quickly, but they have are harder for the city to enact because, unlike a zoning-code amendment, they have a negative impact on the city's budget. We commend the city for having already implemented action item 3.4 – “establish a construction excise tax” – and making progress on other items in Strategy 3.

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<sup>3</sup> We note that some of the city’s existing churches seem to have adjacent vacant land on which to expand.

Thank you for the opportunity to submit this testimony.

Sincerely,

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